



cutting through complexity

City of Norfolk, Virginia

**Presentation of audit results
year ended June 30, 2015**

January 26, 2016

Agenda

- **Summary of audit results**
- **Review of required communications**
- **Review of internal control and A-133 results**

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Audit of the financial statements for the year ended June 30, 2015

- Audit of June 30, 2015 financial statements is complete
 - Unmodified opinion issued on the financial statements
 - Issued required government auditing standards report
 - A-133 audit of Federal programs and certain state requirements completed – to be discussed further

Required communications related to the audit

- Our responsibility and responsibility of management
- Required communications regarding the conduct of the audit
 - We have read the other information included in the financial statements for consistency. We have not performed any audit procedures over the information.
- Accounting policies and alternative treatments
 - Significant accounting policies – City adopted GASB 68 and 71
 - Qualitative aspects of accounting practices
 - Management judgments and accounting estimates
 - Accrual for self insurance liabilities
 - Pension and other postemployment benefits
- Adjustments recorded as a result of the audit are attached to the letter documenting the required communications.
- No disagreements with management on financial accounting and reporting matters
- To the best of our knowledge, there have been no consultations with other accountants
- No significant difficulties encountered in completing the audit.
- We confirm our independence in accordance with professional standards

Discussion of internal control and A-133 audit

- There were no material weaknesses in internal control at the financial statement level.
- Certain suggestions for improvement in internal control were discussed with management.
- A-133 audit was completed
 - The City expended \$94.2 million in Federal assistance during FY15.
 - 10 programs were audited – 3 at Norfolk Public Schools, 7 at the City.
 - All programs that receive Federal assistance in excess of \$2,800,000 are subject to audit at least once every three years. Certain smaller programs are audited each year based on their individual and collective risk profiles.
 - Scoping will change in FY 2016 with implementation of the Uniform Guidance.

A-133 audit findings

- Certain reportable findings were noted during the A-133 audit and are described in the Compliance Section of the CAFR.
 - CDBG and Home – Cash Management (#1)
 - CDBG – Reporting(#2)
 - CDBG – Earmarking (#3)
 - CDBG – Suspension and Debarment (#4)
 - Title I, Part A – Special Tests – Comparability (#5)
 - Title I, Part A and Special Education– Special Tests – Schoolwide Programs (#6)
 - Special Education – Reporting (#7)
 - TANF – Child Support Enforcement (#8)
 - TANF – Eligibility (#9)
 - HIV – Reporting (#10)
- Four findings were noted based on procedures required by the Virginia APA.



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